OD-File Transition

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OFFICE OF MUNITIONS CONTROL

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Section 38 of the Arms Export Control Act (AECA) authorizes the President to control, in furtherance of world peace and the security and foreign policy of the United States, the commercial export of defense articles and services (formerly referred to as arms, ammunition and implements of war) including technical data related thereto. This control is delegated to the Secretary of State, and through the Under Secretary for Security Assistance, Science and Technology and the Director of the Bureau of Politico-Military Affairs (PM) to the Director, Office of Munitions Control (PM/MC). This responsibility is exercised through the International Traffic in Arms Regulations (ITAR) which prescribe the U. S. Munitions List and the requirements which must be met before PM/MC will consider authorizing exports. About 33,000 license applications are processed annually and the value of commercial exports against them in FY 1980 totalled approximately $ 1.7 Billion. PM/MC is now in the process of achieving an automated data management system to better direct the flow of applications.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 6/7/83
RDS☐or YES☐EXT. DATE
TS AUTH.
REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☒
RELEASE DENIED ☐
P.A. or FOI EXEMPTION(S)

The AECA requires that PM/MC: (1) provide quarterly reports to Congress showing the total value of all license authorizations by country, an itemized list of all licenses issued for Major Defense Equipment in excess of $ 1 Million, an estimate of the number of U. S. civilian personnel employed overseas in connection with contracts approved by the Department of State, and a listing of all fees, commissions and political con-

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tributions paid, or offered, or agreed to be paid in connection with the sales of defense articles or defense services; (2) a detailed annual report to Congress on all exports by country; and (3) notification to Congress prior to issuance of license or approvals for export of Major Defense Equipment sold commercially under a contract of $ 7 Million or more, other defense articles valued at $ 25 Million or more, and commercial agreements for the overseas manufacture of significant combat equipment in or for a non-NATO country.

PM/MC is responsible for enforcement of export regulations and receives reports on possible violations from a variety of USG, industry, news media and public sources. The U. S. Customs Service in the Department of Treasury conducts all investigations for PM/MC and the Department of Justice prosecutes cases when appropriate. In addition to criminal penalties, PM/MC can and does use Hearing Examiners in the Department of Commerce as a method of assessing civil penalties.

Finally, PM/MC provides the Department of State representative to the National Disclosure Policy Committe.

Arms transfers, FMS and commercial, are a distinct instrument of foreign policy and PM/MC works in close coordination with PM/SAS (the Office of Security Assistance and Sales) which is responsible for FMS policy. PM/MC judges applications on the basis of applicable statutes, the ITAR, USG policies originating with the President (e.g., PD-13) and the Secretary

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of State, precedents, US foreign, political, economic, technical, arms control and security policies. In arriving at its recommendations or decisions PM/MC seeks the views of DOD, DOE, NASA, FAA, ACDA and the various regional and functional bureaus within the Department of State. The AECA requires that each approved license will be issued subject to the provision that it may be revoked, suspended, or amended by the Secretary of State, without prior notice, whenever he deems such action to be advisable. Current statutes prohibit the issuance of licenses for export to Chile or to the Government of Argentina, while various policies preclude the issuance of licenses for the Government of South Africa, and the Soviet Union, Eastern European nations, and other Communist countries. Licenses are approved for Yugoslavia and a limited list of articles are eligible for consideration for possible export to the PRC.

PM/MC is located in Rosslyn and is authorized a total of twenty nine permanent positions plus one part-time secretary. (This number has remained constant over the years despite an increase of over 13,000 applications in the past few years.) Fourteen of these positions are professional with the remainder administrative/clerical. Five of the professional positions are classified as Foreign Service.

Contacts with industry are maintained through exchanges involved in the licensing process, periodic newsletters and appearance at various industry associations seminars.

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There is considerable Congressional, press and public interest in PM/MC's activities.

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